

CONFIDENTIAL

21 June 1973

MEMORANDUM FOR THE RECORD

**SUBJECT: Telephone Call from Mr. Bonner Cox of
Stanford Research Institute**

1. On 20 June Bonner Cox of Stanford Research Institute called stating that they had a problem out there on an overrun and wondered what I could do in helping them out of it. He stated that they had anticipated work on an \$18,000 contract wherein ORD would transfer money to OTS. In anticipation of that contract, they incurred an overrun and Cox now wondered how he could go about handling that overrun. I indicated that the best way was to treat it legally and wondered whether or not they had alerted the Government to the fact that they were approaching an overrun condition and, in fact, had expended 85% of their contract which was to run to 30 June. Cox stated that the people who make those reports did not prepare them in sufficient time for such flagging. He stated that they fully anticipated the follow-on contract, that "Sid" told them to boom ahead, and when I asked him if he thought that was direction to proceed, he said, "No, but Sid had a strong feeling that the contract would go."

2. I asked if the contracting officer had given any direction in that regard, and he replied in the negative. I then reiterated that I had to treat this professionally and legally, and if they did not receive proper direction as stated in their contract, and further if they had failed to notify the Government of the situation with the contract overrun, then there was little I could do for them and suggested that they contact the contracting officer for details.

Original Signed by
JOHN N. McMAHON

John N. McMahon
Director

Office of Technical Service

cc: C/CMG /
C/D&E

SG11

CONFIDENTIAL